

**QON Responses for General Purpose Standing Committee No. 5**  
**Monday 4 September 2006**

1. **The Hon. RICK COLLESS:** Can you tell the Committee about your understanding of the key land degradation indicators?

**The Hon. IAN MACDONALD:** I will take that on notice.

**The Hon. RICK COLLESS:** You do not know?

**The Hon. IAN MACDONALD:** No, I am not saying I do not know. I will give you a full technical answer.

**ANSWER**

The following key scientific indicators of land degradation are:

- reduction in groundcover
- reduction in levels of soil carbon
- significant change in soil acidity or alkalinity (pH); and
- an increase in water or wind erosion

Further regional and local indicators of land degradation include:

- increase in the extent or severity of dryland salinity
- increase in the impact of acid sulfate soils; and
- decline in the structural stability of soils

2. **The Hon. RICK COLLESS:** How do you rationalise then or how do you plan to rationalise the conflict between production-based requirements that underpin with sound environmental criteria such as this ground cover message of your own staff—the project leaders are Jeff Lowien and Bob McGufficke, two of your most respected district agronomists—with the extreme environmental agenda that is preventing improved ground cover on native grassland that has been used for agriculture for over 100 years?

**The Hon. IAN MACDONALD:** I believe there are within the INS module a number of ways that you can improve your ground cover for a start and, secondly, the current INS tools are, in fact, being reviewed and Dr Denis Saunders has made a series of recommendations to the Natural Resources Commission, which they are currently considering and will in due course present proposals to us. Those particular changes recommended by Dr Denis Saunders are on the web.

**The Hon. RICK COLLESS:** This is not just an issue about INS, this is an issue across-the-board. What about in other areas of the State, such as the areas that Jeff Lowien and Bob McGufficke operate in?

**The Hon. IAN MACDONALD:** Be specific.

**The Hon. RICK COLLESS:** The Northern Tablelands

**The Hon. IAN MACDONALD:** But be specific. Where is the big problem that you are talking about?

**The Hon. RICK COLLESS:** The big problem is that the PVP process is preventing farmers from improving the ground cover because what the people who are trying to get PVPs approved are being told is that on up to 45 per cent of their property they are not allowed to alter the ground cover.

**The Hon. IAN MACDONALD:** You will have to give me the specific information and I will take it on notice and answer it.

**The Hon. RICK COLLESS:** I am surprised you do not know about this issue. Do you understand that if the ground cover is not improved, as recommended by all your leading agronomists, that much of this land will continue to degrade?

**The Hon. IAN MACDONALD:** Ground cover is clearly important.

**The Hon. RICK COLLESS:** Why are you allowing one part of your portfolio to promote the benefits of ground cover while you are preventing farmers from implementing improved ground cover in another part of your portfolio?

**The Hon. IAN MACDONALD:** Be specific.

**The Hon. RICK COLLESS:** I have just explained the situation to you.

**The Hon. IAN MACDONALD:** I do not think there is a conflict that you are trying to render there.

**The Hon. RICK COLLESS:** I can assure you there is when farmers are out there trying to improve their ground cover by the addition of exotic species, such as sub clover and fertiliser, into a degraded native grass pasture and the PVP people are telling them that they cannot change ground cover. In other words, they are not allowed to direct drill exotic species into their native grass cover to improve the ground cover. That is what they are being told.

**The Hon. IAN MACDONALD:** I will get the specific instances and I will have a good look at it.

**The Hon. RICK COLLESS:** Good. In your view is the direct drilling of improved species, such as sub clover and crops, such as wheat and oats, into native grass pastures permissible under the Act?

**The Hon. IAN MACDONALD:** I think you have to look at it in a more detailed sense and what you are trying to set up here. It is one thing to want to clear a lot of native vegetation to then grow wheat and do it regularly is a different thing, and that is what I understand a lot of people wanted to do. That then changes the nature of the environment at that point, in that instance and, therefore, could conflict with the Government's aim to end broad scale clearing unless it enhances or maintains the environment.

**The Hon. RICK COLLESS:** Is direct drilling sub clover into native grass pastures classified as broad scale clearing?

**The Hon. IAN MACDONALD:** I will have to take the precise example on notice and give you a reply in due course.

**The Hon. RICK COLLESS:** Are you familiar with the term "pasture cropping"?

**The Hon. IAN MACDONALD:** Yes.

**The Hon. RICK COLLESS:** Is pasture cropping permissible under the Native Vegetation Act?

**The Hon. IAN MACDONALD:** I would have to take advice on that.

**The Hon. RICK COLLESS:** Is it classified as broad scale clearing?

**The Hon. IAN MACDONALD:** I would have to take advice on that. A lot of this depends on what the proposition is and how it impacts the nature of the particular property that is under question. I might add that 1,033 landholders have made inquiries relating to catchment management authorities—61 PVPs have been included. These include broad scale clearing, 181 hectares, offsets of 3,000 hectares and a whole range of other treatments in areas. For instance, invasive native scrub treatment is up to 71,600 hectares of which no offsets are required.

## **ANSWER**

In the case where the native pasture is remnant or protected regrowth and the direct drilling does not remove, kill, destroy, uproot, or otherwise clear the native pasture, it is not classified as broad scale clearing.

Direct drilling, herbicide and fertiliser use involving regrowth native pasture is, by definition, not classified broad scale clearing.

- 3. The Hon. RICK COLLESS:** Are you aware of reports that an aircraft belonging to a Mr Robert Bingley-Pullen from Mosman, registration

number VHDAF, was observed flying low over a Canbelego property on Monday 14 August?

**The Hon. IAN MACDONALD:** Was I aware of allegations about a low-flying aircraft out in the Cobar area, is that what you asked me?

**The Hon. RICK COLLESS:** Yes.

**The Hon. IAN MACDONALD:** Yes, I am aware that there are allegations in relation to it.

**The Hon. RICK COLLESS:** Did your staff receive a report of an allegedly illegal clearing activity on Monday 14 August or Tuesday 15 August on that property near Canbelego?

**The Hon. IAN MACDONALD:** I do not know if my office did. I certainly did not.

**3a. The Hon. RICK COLLESS:** Who was the person who furnished that information to your staff?

**The Hon. IAN MACDONALD:** I will take that on notice.

#### **ANSWER**

Members of the public inform the Department of breaches of natural resources legislation in good faith. There is a clear policy of not disclosing informant details.

No direct contact was made with the Minister's office.

**3b. The Hon. RICK COLLESS:** Who was the staff who received that information?

**The Hon. IAN MACDONALD:** I will have to take that on notice as well. I am not aware—

#### **ANSWER**

As above – the information was provided to the Department, not the Minister's personal staff.

**3c. The Hon. RICK COLLESS:** What was the nature of that information?

**The Hon. IAN MACDONALD:** I will take that on notice.

#### **ANSWER**

The information was in relation to clearing that was allegedly underway on a property.

**3d. The Hon. RICK COLLESS:** You do not know very much. Who gave the direction to the Dubbo-based compliance officer to investigate the complaint?

**The Hon. IAN MACDONALD:** I will take that on notice. I presume it would have been the Compliance Division of the department in some shape or form. I do not get involved in these operational matters, and I am not going to get involved. It is up to the Compliance Division to make its decisions. I made no decisions in relation to any complaint whatsoever.

**ANSWER**

The information was provided directly to a compliance officer at Dubbo. The Department has an obligation to investigate all alleged breaches of the Native Vegetation Act.

**3e. The Hon. RICK COLLESS:** Has a property inspection been carried out on that property?

**The Hon. IAN MACDONALD:** I will have to take that on notice.

**ANSWER**

No.

**3f. The Hon. RICK COLLESS:** What was the outcome of that inspection? Was the landholder operating legally or illegally?

**The Hon. IAN MACDONALD:** I will take it on notice.

**ANSWER**

See answer to 3e.

**4. The Hon. DUNCAN GAY:** The Government indicated that it shelved the desalination plant because of the discovery of new ground water near Kangaloon and Leonay. Can you tell me when this new ground water was discovered and indicate the report that arrived to you indicating that this was new ground water?

**The Hon. IAN MACDONALD:** I would have to take that question on notice. The Sydney Catchment Authority would be the lead agency in relation to this.

**ANSWER**

The questions on Sydney groundwater should be referred to the Sydney Catchment Authority who is responsible for these groundwater investigations.

**5. The Hon. DUNCAN GAY:** Could you take on notice copies of plans

that indicate that there was water exceeding the water detailed in these two reports?

**The Hon. IAN MACDONALD:** Yes, I will take that on notice, and point out that recharged values and all of these are part of working out precisely what that aquifer is capable of doing.

#### **ANSWER**

The question should be referred to the Sydney Catchment Authority.

6. **The Hon. DUNCAN GAY:** Have you or your department undertaken any studies into the degraded nature of the Hawkesbury-Nepean River system?

**The Hon. IAN MACDONALD:** In the last year or in the past?

**The Hon. DUNCAN GAY:** In the last three to four years?

**The Hon. IAN MACDONALD:** I am not sure what happened under DIPNR. I am sure there have been a number of studies done and I will take it on notice. I do not recall a major one being done in the year that I have been Minister for Natural Resources.

#### **ANSWER**

A number of studies have been undertaken into the health of the Nepean-Hawkesbury system between 1995 and 1998, in 1999 and between 2001 and 2004.

7. **The Hon. DUNCAN GAY:** Do you believe that New South Wales is suffering from severe water shortages?

**The Hon. IAN MACDONALD:** Gee, that is a difficult question. I think that the last nine months that we have gone through is one of the driest and hottest periods on record. There is no question about that. Most of our storages are at lower levels, which will impact dramatically, potentially, on allocations later this year.

**The Hon. DUNCAN GAY:** Why then did the Premier suggest on 30 July 2006, "In New South Wales we have secure supplies for the next decade and a half"?

**The Hon. IAN MACDONALD:** I do not know. I have not seen that particular quote, so I am not exactly sure what he might have been referring to. I will have a look at that and I will give you a reply.

#### **ANSWER**

The Premier's statement has been taken out of context. What the Premier actually said on 30<sup>th</sup> July 2006 was quote *"In NSW, we have a metropolitan water plan which has been released and we have secure supplies for the next decade and half."* The Premier was referring to Sydney's water supply.

8. **CHAIR:** How and when will you ensure that flood-plain harvesting becomes adequately regulated and measured to protect security of downstream landholders' rights and the environment?

**The Hon. IAN MACDONALD:** I have got a lot of information on this for you. The flood-plain policy is currently being developed. It is part of the Government's strategy for dealing with issues on the flood plain and we believe it is a positive way forward in the management of the State's water resources. We are in the process of finalising a harvesting policy. The new flood-plain harvesting policy represents a significant improvement in the manner in which flood-plain harvesting operations are undertaken.

This policy is an integral part of this Government's strategy for dealing with the issues on the flood plain. Other initiatives include a renewed focus on flood plain planning and a review of the flood plain development assessment procedures. Flood plain harvesting predominantly occurs in the north west slopes and plains of New South Wales. It is a feature of irrigation enterprises—the border rivers, the Gwydir, Namoi, Barwon, Darling and lower Macquarie river networks. There are also other isolated examples. I could continue but suffice to say that we are in the process of drafting the flood plain management and harvesting strategy.

**CHAIR:** My question, I guess, really revolved around how and when.

**The Hon. IAN MACDONALD:** When will it be released?

**CHAIR:** Yes. Whenever you are going to release it, when will we see the department ensuring that flood plain harvesting is being adequately regulated—how and when? I mean, do you have a timetable?

**The Hon. IAN MACDONALD:** Yes. At the moment the Department of Environment and Conservation, the Department of Natural Resources and the Department of Primary Industries and State Water are engaged in these discussions. We have not concluded them at this point, but we obviously need to adopt a policy in relation to this. After all, it is an issue that we need to focus on and resolve. But I do not have the specific time frame at this point.

**CHAIR:** Can you take that on notice?

**The Hon. IAN MACDONALD:** Yes.

**CHAIR:** As it is something that you have not planned out yet, I am just wondering where your planning is up to. Can you get back to the Committee with a timetable?

**The Hon. IAN MACDONALD:** Yes, I will.

**ANSWER**

The Department is currently awaiting legal advice on certain aspects of the draft floodplain harvesting policy. Once this advice is finalised, a timeline for the release of the draft policy for targeted public consultation will be developed.

9. **CHAIR:** Thank you. Minister, you have stated that flood plain harvesting is included within the integrated quantity and quality models [IQQMs] for the Gwydir and the Namoi. What studies have you done to determine the volumes of water harvested? What are the figures held by your department on the estimated amount of water harvested in these and other New South Wales valleys? Do these figures include just bona fide licensed works, or all the illegal works as well?

**The Hon. IAN MACDONALD:** Well, obviously, we would have to take into account what happens to the overall volume of water, so it would include looking at what may be illegal harvesters as well as what is legally taken.

**CHAIR:** Do you have any figures or indications, or can you get any figures on the volumes that are harvested?

**The Hon. IAN MACDONALD:** I will get that material.

**CHAIR:** I appreciate that the legal harvesting must be difficult, but you must have some general idea. Would that not be the case?

**The Hon. IAN MACDONALD:** I am not sure whether we even have a general idea, but I will get you the figures.

## **ANSWER**

All IQQMs indirectly include harvesting of rainfall runoff by farm dams. This is by virtue of the fact that the tributary inflows used in the models are impacted by many upstream processes including unregulated river licensed extractions, land use change and hillside farm dams and also if occurring, any illegal extraction.

The IQQM models that are used to determine extraction levels are complex models with multiple inputs which vary from season to season.

10. **CHAIR:** Minister, what evidence do you have from audits, assessments or studies that detail water harvesting volumes on unregulated systems and from so-called rainfall harvesting? What evidence do you have that shows that these volumes are so minimal that they do not need to be included within the CAP, IQQM models and the flood plain harvesting policy?

**The Hon. IAN MACDONALD:** I will have to take that on notice.



## ANSWER

The Department reports extractive usage within the Murray Darling Basin in accordance with Schedule F of the Murray Darling Basin Ministerial Agreement. Schedule F requires reporting against licensed extractions.

The *Water Management Act 2000* specifically deals with the issue of rainfall harvesting within the confines of the Harvestable Rights provisions. All properties within the Central and Eastern Divisions of NSW are entitled to harvest 10% of the runoff from their properties, however, they can only construct a dam in a first or second order non permanent stream to capture this water.

As stated above these considerations are included in the IQQM models.

11. **CHAIR:** Thank you, Minister. Can you give a commitment to assess flood plain harvesting in the Macquarie?

**The Hon. IAN MACDONALD:** I think I can safely assure you that we will have a review of that and a good look at it.

**CHAIR:** Do you have a time frame on that process?

**The Hon. IAN MACDONALD:** We have a lot of priorities, particularly with the National Water Initiative and other matters. I could not put a time frame on it, but I will get back to you on it.

## ANSWER

The assessment of flood plain harvesting works will be undertaken during the implementation phase of the Floodplain Harvesting Policy. Our commitment to the National Water Initiative is to deal with the licensing of so-called interception works by 2011. We are clearly operating well within that timeline.

12. **CHAIR:** Do you acknowledge that, where necessary, some flood plain works will need to be removed where they have negative environmental impacts to bring harvesting under CAP, and where they will take or interfere with environmental water?

**The Hon. IAN MACDONALD:** I would have to see and receive information in relation to any of these structures before I could commit to any particular statement about removal, but there is some work being done in relation to it, as I said before—allegations of illegal harvesting in the Macquarie Marshes area. We would have to carefully consider what action we would take.

**CHAIR:** If that is the case, would you commit to acting on that?

**The Hon. IAN MACDONALD:** I will have a look at the situation and

give an appropriate reply to your question on notice.

#### **ANSWER**

Every structure would be looked at on its own merit, taking into account the legislation and any relevant management plan.

- 13. CHAIR:** Thank you, Minister. The Macquarie water-sharing plan [WSP] says that flood plain harvesting is included within the long-term extraction limits, but you have stated that flood plain harvesting has not been included in the IQQM. How is your department ensuring that current extraction is not exceeding the statutory extraction limits within the WSP, especially given recent evidence that there is flood plain harvesting in the Macquarie?

**The Hon. IAN MACDONALD:** I will take that on notice.

#### **ANSWER**

The harvesting of floodplain water will be managed in accordance with an agreed plan limit. Also see answers above.

- 14. CHAIR:** Minister, you stated that flood plain harvesting was not included in the IQQM in an answer to questions on notice from me in May 2006. What evidence do you have to show that you are including flood plain harvesting within the long-term extraction limits for the Gwydir and Macquarie rivers, currently given that you are not clear on the volume of water harvested in those areas? Do you acknowledge that current extraction may exceed the statutory limit imposed under the WSP?

**The Hon. IAN MACDONALD:** As I said, we are framing a policy at the moment to handle the issues of flood plain harvesting, and that is our priority. We are investigating where we believe there are possible breaches, which we will act upon. The rest of your question is down to considerable detail. I am quite happy to take it on notice.

#### **ANSWER**

As per my previous answer in May, the IQQM for the Gwydir Valley does include an amount for floodplain harvesting. However, flood plain harvesting is not included in the IQQM for the Macquarie as there has been no indication that floodplain harvesting represents a significant volume of water. If there is sufficient evidence that extensive floodplain harvesting does occur within the other valleys we will revisit the IQQM and recalibrate it if required.

- 15. CHAIR:** Thank you, Minister. We recognise that works licensed for

flood control or water delivery must be environmentally assessed where used for harvesting, especially given that your current harvesting policy commits to having a proper environmental impact assessment underpinning licensing. Large channels 10 kilometres long and 15,000 megalitre storages in the Gwydir Valley were not assessed on their flood plain harvesting impact, yet harvest substantial amounts of water.

**The Hon. IAN MACDONALD:** I am not sure what the policy was a few years back, but surely in our new policy we will be looking at these various issues. Some of these policies that have gone on in some of the valleys were formed a considerable time ago. Clearly over the next period we will have to look at how we manage issues of flood plain harvesting and it would have to be related to the volume of water that would be available.

**CHAIR:** When will your department ensure that such developments undergo an EIA? When will you ensure that there is a full State-wide environmental impact assessment for all flood plain development?

**The Hon. IAN MACDONALD:** I understand that there is a process that requires information from the proponents that gets towards the environmental assessment, so I will take it on notice and give you a fuller answer.

## **ANSWER**

All new floodplain developments that are subject to the provisions of the *Water Act 1912*, or the *Water Management Act 2000*, require an environmental impact assessment.

16. **CHAIR:** Hatton put in a 15,000-megalitre storage on Lenore Creek, a major Gwydir tributary, with no EIA. There is another 10-kilometre long channel between the river pump and dam and I do not think there was an EIA on the channels. Another example is the Seery development, which had no adequate EIA but ecologists flew over the wetlands with a survey crew. Are you aware of those particular issues?

**The Hon. IAN MACDONALD:** I will have to take it on notice. What year did that happen?

## **ANSWER**

Mr Hatton's storage and other authorised works complied with the Department's requirements that applied at that time.

Mr Seery has an approved 6,000 megalitre storage. An environmental impact assessment was undertaken for this development.

17. **CHAIR:** I do not have a date. I will have to get back to you on that. Perhaps I will provide it to your staff. Will you honour the commitment

to have an EIA on the proposal for a three gigalitre storage dam on the Gwydir River?

**The Hon. IAN MACDONALD:** I always honour my commitments.

**CHAIR:** We will just worry about this one, I suppose.

**The Hon. IAN MACDONALD:** I will take it on notice.

## **ANSWER**

The Department is currently considering a proposal for a 3,400 megalitre off-river storage located on the Gwydir River floodplain. The proposal will be considered having regard to all relevant legislation. This includes a requirement for an environmental assessment of the impacts of the works.

18. **CHAIR:** What information does your compliance department have about environmental water being allegedly stolen in the Macquarie Marshes?

**The Hon. IAN MACDONALD:** I said we are investigating a number of instances around the Macquarie Marshes, as well as other parts of the State.

**CHAIR:** When you say "investigating", how serious is the investigation? How detailed is it? Basically, it is environmental water theft. Will you ensure that environmental water is not stolen in other New South Wales rivers? Can you give a commitment to follow through on what is basically water theft, with a deadline?

**The Hon. IAN MACDONALD:** I will certainly take that question on notice. I might add that in recent times we have successfully prosecuted a number of people for various offences relating to taking water when they are not entitled to it. As I said, we are doing investigations in that region at the moment, but I make it clear to you that I will not get involved in the operational side of the department.

## **ANSWER**

I can advise that the Department is investigating a number of compliance matters in the Macquarie Marshes area. As this is an ongoing investigation it is not appropriate for me to provide any further comment at this stage.

19. **CHAIR:** In relation to the Macquarie Marshes matter, I put it to you that insufficient funding has been allocated to compliance because of issues around water theft and illegal vegetation clearing.

**The Hon. IAN MACDONALD:** I would dispute that. I believe that the compliance division has an adequate funding base and is competently

investigating a number of matters on both those acts you are talking about. Also, in recent times I appointed a new executive director to manage that area who has a very good record of incredibly competent public service.

**CHAIR:** That is wonderful. What information is publicly available on the department's compliance activities?

**The Hon. IAN MACDONALD:** It is a bit like asking the police force how much public information is available on its investigations. My view is that if investigations are to be conducted without being compromised by public disclosure and debate, making information available publicly would not be a good thing. It is better that the department conduct its activities. If you ask me to give you a report about the success in various areas over recent times, I am quite happy to provide that in written form and in general terms so that you can have a think about it. But I will not comment on individual cases.

**CHAIR:** I will put it to you another way. How many compliance actions and prosecutions have there been? Even if I am asking the police department in the circumstance it is a fair call, would you agree, if prosecutions have occurred on water resource issues in the past two years, for example?

**The Hon. IAN MACDONALD:** I will supply you with those figures on notice.

**ANSWER**

<u>Legislation</u>	<u>Action</u>	<u>2004-2005</u>	<u>2005-2006</u>
<i>Water Act 1912</i>	Warning/Negotiation	26	30
	Remediation		
	Agreement	0	0
	Remediation Notice	16	4
	License Suspension	3	1
	Prosecution	3	0
	<i>Water Management Act 2000</i>	Warning letter	5
Stop Work Order		7	0
Remediation			
Agreement		1	0
Remediation Notice		5	1
Penalty notice		0	2
<i>Rivers &amp; Foreshores Improvement Act 1948</i>		Warning Letter	51
	Stop Work Order	2	2
	Remediation		
	Agreement	6	5
	Remediation Notice	20	21
	Prosecution	1	0

20. **CHAIR:** Do you acknowledge that laws and the long-term extraction limit within the WSP in the Gwydir, Namoi and Macquarie systems may be being breached due to illegal flood plain works and lack of knowledge held by the department on flood plain harvesting?

**The Hon. IAN MACDONALD:** I will send you my previous answers.

#### **ANSWER**

The vast majority of works on the flood plain have been authorised under either Part 2 or Part 8 of the *Water Act 1912*. If there are alleged illegal works on the floodplains, we will investigate their operation and determine if appropriate remediation action is required

21. **The Hon. RICK COLLESS:** Minister, will you reinforce what you told the Committee in answer to my first few questions about the issue of the property vegetation plan [PVP] offset at Cobar of 1:100? I think you said that that had been reduced to 1:15. Is that correct?

**The Hon. IAN MACDONALD:** My understanding and advice was that in an instance at Cobar, where there was a 1:100 and asked for, that it involved threatened species. There has been some reduction in the offset, in the order of 1:15. I am not 100 per cent certain whether it is the same property that you are talking about.

**The Hon. DUNCAN GAY:** You were certain earlier.

**The Hon. RICK COLLESS:** You were certain earlier.

**The Hon. DUNCAN GAY:** We gave him the name of the property and he was certain.

**The Hon. IAN MACDONALD:** No, I do not know whether he named the property. Are we talking about Oxley Downs? Is that the one we are talking about?

**The Hon. RICK COLLESS:** Correct.

**The Hon. IAN MACDONALD:** My understanding is that the Central Western Catchment Management Authority has reduced the ratio 15 to one. My understanding—and I will check this—is that this deals with threatened species issues. That is my understanding. The problem with the *Sunday* program is that the whole discussion we had was about invasive native scrub [INS]. This example does not deal with INS.

**The Hon. RICK COLLESS:** So you are saying now that the property Oxley Downs has had its property vegetation plan [PVP] offsets reduced from one to 100 to one to 15?

**The Hon. IAN MACDONALD:** That is my understanding. That is my advice.

**The Hon. RICK COLLESS:** Correct me if I am wrong, but is the landholder there Mr Rob Chambers?

**The Hon. IAN MACDONALD:** I do not know the name.

**The Hon. RICK COLLESS:** Perhaps somebody sitting in the back of the room could confirm this with you. This is an important point. Is that the landowner?

**The Hon. IAN MACDONALD:** I am not sure whether or not it is important.

**The Hon. RICK COLLESS:** Is that the landowner?

**The Hon. IAN MACDONALD:** I am not sure.

**The Hon. RICK COLLESS:** Perhaps you could take advice from your staff seeing as you are so big on taking advice from your staff. I need to know right now.

**The Hon. EDDIE OBEID:** Let him answer in the way that he wants to answer.

**The Hon. IAN MACDONALD:** Just calm down.

**The Hon. RICK COLLESS:** We need to know right now.

**The Hon. IAN MACDONALD:** Sorry.

**CHAIR:** Order! The Hon. Rick Colless can ask a question and the Minister can either take it on notice or answer it as he sees fit.

**The Hon. IAN MACDONALD:** I will take that question on notice.

The landowner is Mr Rob Chambers.

22. **The Hon. RICK COLLESS:** On the broader issue then of the IPART determination—

**The Hon. IAN MACDONALD:** I add that the MDBC has presented its cost structures, et cetera, to the service committee in the Murray region.

**The Hon. RICK COLLESS:** On the broader issue of the IPART determination, do you believe that irrigators should bear the full cost of managing rivers and delivering bulk water in New South Wales?

**The Hon. IAN MACDONALD:** The Council of Australian Governments [COAG] has signed an agreement, or an agreement has been signed by COAG, which potentially will lead, over time, to full cost recovery. That is the nationally agreed position.

**The Hon. RICK COLLESS:** Why then did your department make a submission to IPART asking for price increases for bulk water charges at above 100 per cent of full cost recovery in a number of valleys across New South Wales?

**The Hon. IAN MACDONALD:** For what? Bulk water?

**The Hon. RICK COLLESS:** Yes, for water charges above 100 per cent of full cost recovery. That happened in a number of valleys across New South Wales according to my information.

**The Hon. IAN MACDONALD:** I am not sure whether that relates to State Water.

**The Hon. RICK COLLESS:** It says it is your department.

**The Hon. DUNCAN GAY:** You can take the question on notice, Minister.

**The Hon. IAN MACDONALD:** I am quite happy to take it on notice. But

IPART makes its determinations. I cannot tell IPART what to do. I met with IPART but I cannot tell it what to do. I can only put a position.

## **ANSWER**

The Department did not request price increases above full cost recovery. The Department submitted forecast costs of providing water management services to the irrigation industry.

**23.**

**CHAIR:** Returning to the red gum resource, what is the total volume of red gum sawlogs currently allocated to the mills by Forests NSW? What was the total volume of red gum sawlogs allocated to mills for each of the past five years? Has the total volume of red gum sawlogs allocated to mills in the Riverina increased in the past five years and, if so, by what amount?

**The Hon. IAN MACDONALD:** I will have to take that detailed question on notice.

### **Response**

The total volume of red gum sawlogs currently allocated to the mills by Forests NSW is 60,450m<sup>3</sup> per annum, the same amount that has been allocated for the past five years. The total volume of red gum sawlogs supplied to Riverina sawmills was 61,874m<sup>3</sup> in 2002, 60,005m<sup>3</sup> in 2003, 59,605m<sup>3</sup> in 2004, 61,793m<sup>3</sup> in 2005 and 62,889m<sup>3</sup> in 2006. The volume supplied in any year may vary from the annual allocation depending on the carry over of accumulated variations from annual allocations in previous years, including years before 2002.

**24.**

**CHAIR:** Minister, I put it to you that Forests NSW has clear-felled even larger gaps in the region in breach of the licence condition on a Western Lands lease known as Weimby. Perhaps you would like to take that question on notice. That is my understanding of the situation.

**The Hon. IAN MACDONALD:** I will take that on notice.

### **Response**

I am aware of claims of breaches of harvesting prescriptions by Forests NSW in Weimby, a Western Lands Lease in the Riverina, in 2005. This includes allegations of clear-felling. Department of Environment and Conservation officers inspected the alleged breaches and Forests NSW is providing the Department of Environment and Conservation with further information following that inspection.

**25.**

**CHAIR:** Are you aware that Forests NSW logs intensively to within 20 metres



of the Murray River? Would you agree that it is a national disgrace that such practices are occurring in Australia today? That is the information I have. I ask you to answer that question in light of what you said previously about the Forests NSW regime being of a high order.

**The Hon. IAN MACDONALD:** In relation to Weimby, which is a Western Lands lease, allegations were made of clear-felling. Forests NSW invited the Department of Environment and Conservation to assess the claims, which appear to be about a timber-harvesting operation completed in 2005. Department of Environment and Conservation officers inspected the alleged breaches and Forests NSW is providing the department with further information and comments following that inspection. Forests NSW does not employ clear-felling as a silvicultural technique. In mature eucalypt forests, like red gum forests, it employs single-tree selection or Australian group selection. These techniques involve removing single trees for a small group to allow natural regeneration of a new forest.

**CHAIR:** Does it fit in with your prescription of reasonable logging practice if logging is undertaken to within 20 metres of the Murray River?

**The Hon. IAN MACDONALD:** In relation to a stream. I am answering in terms of your clear-felling accusation. I am not sure exactly what is the—

**CHAIR:** The Murray River is hardly a stream.

**The Hon. IAN MACDONALD:** It is a stream; it is a big stream.

**CHAIR:** Thank you for that clarification.

**The Hon. IAN MACDONALD:** I am not sure about the actual point at which we cannot harvest to the point of the river. I am not going to make a judgment on that. I will get an answer on that.

### **Response**

The harvesting of Red Gum on Crown-timber land in NSW is carried out in accordance with a site specific harvesting plan, which has been licensed by the Department of Conservation and Environment.

The harvesting plan allows the harvesting of sawlogs to within 20m of the River. The intent of the streamside exclusion buffer zone in Riverina is to retain at least a 20m wide undisturbed belt of red gums and other native vegetation along the river banks for habitat purposes.

The prescriptions reflected in the harvesting plan have been agreed upon between Forests NSW and the Department of Environment and Conservation to ensure the protection of the environment.

**26.**

**CHAIR:** Do you think it is reasonable practice to log within 20 metres of the

Murray?

**The Hon. IAN MACDONALD:** I am not sure. I would have to take advice on that. The advice I have is that the harvesting that you may be referring to was in accordance with the licence issued by the Department of Environment and Conservation.

**Response**

See response to Q25.

**27.**

**CHAIR:** Exactly. Is it true that logging and patch clear-felling are currently allowed and are being undertaken in New South Wales in areas that have been identified as significant ecological assets, for example, Millewa and Koondrook-Perricoota, under the Living Murray process?

**The Hon. IAN MACDONALD:** The operations of Forests NSW are conducted under appropriate licences from DEC and abide by all the appropriate international standards.

**CHAIR:** You could give that answer every time on every issue. I am giving you specific instances. I would appreciate it if you could at least undertake to investigate the matter rather than giving a pap answer that relies on the integrity of your bureaucracy, which may be erring in this case. For example, if I show you pictures, which I have, of logging 20 metres away from the Murray—they are photographs of those practices taken from the river—would you investigate the matter and not have this blind acceptance of the veracity of your advice?

**The Hon. IAN MACDONALD:** I never have "blind acceptance".

**CHAIR:** I am sorry, but it certainly seems that way.

**The Hon. IAN MACDONALD:** If you would like to have the matter investigated you can ask me to do that. But you asked me for a personal view or a view of how I see the advice.

**CHAIR:** I am asking you to at least be open to the idea that your bureaucracy is not working the way you would like to think it is.

**The Hon. IAN MACDONALD:** If you ask me to investigate it, I might say yes—

**CHAIR:** I am asking you to investigate the issue.

**The Hon. IAN MACDONALD:** —instead of trying to create great walls of sound.

**CHAIR:** Do I have to squeeze an answer out of you? Will you investigate the

matter?

**The Hon. IAN MACDONALD:** I am happy to give you a detailed response.

### **Response**

Forests NSW is sustainably harvesting parts of the Millewa and Perricoota-Koondrook forests in accordance with harvest plans checked and licensed by the Department of Environment and Conservation. Harvesting is also consistent with the Ramsar listing for these forests.

Forests NSW does not employ clear felling as a silvicultural technique in red gum forests. When harvesting mature eucalypt forests, such as red gum, Forests NSW employs Single Tree Selection or Australian Group Selection. These techniques involve removing single trees or a small group to allow natural regeneration of the forest.

Forests NSW is actively participating in The Living Murray initiative, and manages the Millewa and Koondrook/Perricoota State forest Icon Sites under the initiative.

In 2000/2001, NSW managed 340,000 megalitres of environmental water for the benefit of the NSW Central Murray State forests across twelve significant water bird breeding sites.

During 2005/2006, and after some five years of severe drought, NSW with other jurisdictions and the Murray Darling Basin Commission actively managed 500,000 megalitres of environmental water to achieve outcomes under The Living Murray objectives. This resulted in spectacular environmental results.

Waterbird breeding, flora health improvement and native fish spawning has occurred in the same State forests where sustainable multiple use forestry, including sustainable timber harvesting, grazing, apiary and forest based ecotourism continues.

This demonstrates the capacity of the relevant NSW natural resource management agencies to work collaboratively with a range of stakeholders to secure impressive outcomes for the people of NSW and those with an interest in this internationally recognised Ramsar site.

**28. CHAIR:** Thank you, Minister. Are you aware that recent studies have shown that 75 per cent of trees along the Murray are already showing signs of stress, decline or death due to changed water regimes?↓

**The Hon. IAN MACDONALD:** Ian, as you would appreciate, we have a massive drought in New South Wales. In fact, I was looking at some figures the other day that tend to suggest that the Murray River would have stopped flowing in May 2002 on the back of this drought and we would have had very little down it. In fact, there is a very good book released in recent times that I suggest you read called *Drought: The*

*Red Marauder*—or something like that. There is a series of photographs in the middle of the book taken during droughts in 1921 and at the turn of the nineteenth and twentieth centuries of picnics being held in the bed of the Murray River.

I have got photographs of East who was Commissioner for the Murray in 1921 in his suit standing astride the Murray which was a trickle of water. Periodically we suffer severe droughts in this country; it is not a new phenomenon. I am sure at that time there would have been severe stress upon the river red gums in that region on the back of those droughts in which there was no water whatsoever. In this drought we have had storage, primarily out of the Snowy River system, which has enabled us on occasions, despite this drought, to release significant volumes of water in the order of 300 gegalitres last November/December to assist with watering of the red gums in that region and other regions.

I do not think one should paint the picture that somehow everything has just developed now. This country has had severe droughts. The Murray River has in fact stopped flowing on many occasions, which would have been a terrible environmental look, but in recent times we have been able to at least deliver, despite all the other commitments, via our significant storages in the southern alps significant volumes of water both for production as well as environmental purposes in those red gum forests. In fact, the Snowy borrow which involved a significant level of gegalitres of water to the rice industry was paid back with a significant environmental watering of that area.

To back up what I am saying the inflows into the Murray River in the past five years from 2001 to June 2006 and for the six months ending in July are the lowest on record. Currently Murray allocations are zero and 31 per cent carry over while the Murrumbidgee allocations are 18 with 14 deliverable before the end of February and about 13 per cent carry over. I am suggesting that the drought has had a huge impact upon the health of a lot of our red gums along the Murray River.

**CHAIR:** Fair enough, Minister. You have just made statements on percentages, but will you also give percentages still being allocated to industry along the Murray? If you are talking about drought let us look at the allocations to industry, which I am not saying they are not necessary allocations but it is too much that you blame the drought when there is still a lot of industrial extraction from that system.

**The Hon. IAN MACDONALD:** I said that in the Murray the allocations are zero for general use. The Murrumbidgee is a little higher, it is 18 per cent so everyone has taken a huge hit in this drought. It has affected the environment and industry. For instance, the year before last the rice industry went down from 1.7 million tonnes to about 350,000 tonnes and it could be less next year.

**CHAIR:** We are out of time for natural resources.

**The Hon. IAN MACDONALD:** I will provide a further written answer.↑

## **ANSWER**

The NSW entitlements on the Murray River system total 1,902 GL. It is

estimated that of the high security entitlements about 13 GL relates to industrial purposes. The high security industrial usage from the Murray River is insignificant at just 0.6% of the total entitlement.

As I have already mentioned in 2005-06, NSW and Victoria jointly released some 500 GL of water to the Barmah-Millewa Forest. During the year New South Wales further diverted 6 GL specifically to target a stressed red gum forest as an emergency measure.

**29.**

**The Hon. DUNCAN GAY:** Thank you, Minister, for the answer to a question that I had not asked, but which I will ask later. How many prosecutions were made by the NSW Food Authority under the New South Wales Food Act in the 2005-06 financial year? Minister, there are a series of these questions, and if you do not have the answers would you take them on notice?

**The Hon. IAN MACDONALD:** Yes.

**Response**

In the 2005/06 financial year the NSW Food Authority successfully completed prosecutions in the local court against 9 food operators. A total of 27 convictions were recorded and 4 orders under section 10 of the Crimes (Sentencing *Procedure*) Act 1999.

**29a.**

**The Hon. DUNCAN GAY:** How many cases went before Local Courts—what percentage?

**The Hon. IAN MACDONALD:** Just read them all out, and I will take them all on notice for you

**Response**

All matters were commenced in the local court jurisdiction.

**29b.**

**The Hon. DUNCAN GAY:** Minister, how many cases were there in total, that is, verbal advice, warnings, written warnings, improvement notices, prohibition orders and penalty notices?

**The Hon. IAN MACDONALD:** I will take that on notice.

**Response**

The NSW Food Authority issued 370 written warnings, 730 improvement notices, 11 prohibition orders and 135 penalty notices in the 2005/06 financial year. I am advised that verbal advice and verbal warnings are recorded on inspection notes, not collated centrally.

**29c.**

**The Hon. DUNCAN GAY:** Can you provide details of breaches—for example, what operators were warned about?

**The Hon. IAN MACDONALD:** I will take that on notice.

**Response**

I am advised that breaches related to non compliance with the Food Act, Food Regulation 2004 food safety schemes and/or Food Standards Code. For example, hygiene & sanitation; pest control; temperature control; cross-contamination; failure to implement or keep records for required food safety plans; failure to undertake require testing of food; inadequate labelling or false description of food; failed samples for composition or food standards; carry on unlicensed activity, and failure to notify food business.

**29d.**

**The Hon. DUNCAN GAY:** How many fines were handed out, and what were the total moneys received and/or receivable?

**The Hon. IAN MACDONALD:** I will take that on notice.

**Response**

135 penalty notices were issued, and see 29e.

**29e.**

**The Hon. DUNCAN GAY:** Where were the moneys raised put?

**The Hon. IAN MACDONALD:** I will take that on notice.

**Response**

Revenue from fines issued by the NSW Food Authority are collected through State Debt Recovery Office and repaid to state revenue.

**29f.**

**The Hon. DUNCAN GAY:** How many operators were suspended, and how many demerit points were received by each operator?

**The Hon. IAN MACDONALD:** I will take that on notice.

**Response**

In the financial year 2005/06 the NSW Food Authority cancelled 371 licences, permissions, suspended 16 licences and issued 10 prohibition orders. Under the NSW Food Act a demerit point system does not exist.

**29g.**

**The Hon. DUNCAN GAY:** Do you believe that the NSW Food Authority and

local councils have an obligation to inform the public of serious breaches under the New South Wales Food Act? How many inspections did the NSW Food Authority carry out, and how many did local councils carry out?

**The Hon. IAN MACDONALD:** I would have to get you that information. I will take that on notice.

**Response**

The Authority has been informing the public regularly. Read the papers.

**29h.**

**The Hon. DUNCAN GAY:** How many inspections did the NSW Food Authority carry out, and how many did local councils carry out?

**Response**

I am advised NSW Food Authority officers carried out 3865 inspections, 6568 audits and 2719 complaint investigations in the financial year 2005/06. Local councils are not obliged to report the number of inspections they carry out to the NSW Food Authority and figures are not available.

**30.**

**The Hon. DUNCAN GAY:** Are you aware that a prohibition order remains in place until a certificate of clearance is issued, and if an inspection is not made within 48 hours of receipt of written request for an inspection a certificate of clearance is deemed to have been granted? On how many occasions, if any, has this occurred?

**The Hon. IAN MACDONALD:** We do not have that data here, so we will take it on notice.

**Response**

Yes, I am aware of that. I am advised that on no occasion has the NSW Food Authority failed to respond to a request for an inspection under section 63 of the Food Act within 48 hours.

**31.**

**The Hon. DUNCAN GAY:** In the 2005-06 financial year \$4,704,000 was budgeted for earnings in sales of goods and services, yet the revised figure is only \$895,000. Could you explain this rather large discrepancy?

**The Hon. IAN MACDONALD:** No, we cannot. We will have to look at it.

**The Hon. DUNCAN GAY:** Is it possible that this discrepancy could be due to bad budgeting?

**The Hon. IAN MACDONALD:** No. There is no bad budgeting in the department.

**The Hon. DUNCAN GAY:** A lack of confidence in the quality of your goods and services?

**The Hon. IAN MACDONALD:** I think you might have it wrong, but we will give you the written word. Show us the precise reference that you are going on.

**Response**

The revised 2005/06 budget for the NSW Food Authority is balanced. I am advised the revised figure reflects the extensive delay in particular areas of the national standards development process. Sales of goods and services consist almost solely of fees charged for audit services, initially budgeted at \$4.7M for 2005/06, which included services dependent on the national standards development process. I am advised the Authority's budget for income from audit services and expenditure on these services was subsequently revised downward to reflect the extensive delays in the national standards development process along with the Authority's proposed implementation of a performance based risk intervention model for auditing. The 2005/06 budget was prepared almost 18 months ago in March 2005 and was based on the best information available at that time.

**32.**

**The Hon. DUNCAN GAY:** Why did you ignore its recommendation given in January that the maximum safe consumption levels of fish caught from Sydney Harbour should be changed from one meal a month to one meal every two months?

**The Hon. IAN MACDONALD:** I do not recall that at all.

**The Hon. DUNCAN GAY:** Will you check and come back to me? Will you take that on notice?

**The Hon. IAN MACDONALD:** Yes, certainly. My understanding is that we adopted its recommendations. That is my understanding.

**Response**

There was no delay between receiving consumption advice from the Dioxin Expert Panel and the NSW Government taking action in response to that advice. I am advised the Dioxin Expert Panel met on 23 January 2006 and formulated its advice on consumption levels. It advised that consumers limit consumption to no more than one 150 gram serve per month of fish or two serves of prawns. On 24 January, the NSW Food Authority briefed me on the Expert Panel's consumption advice and I acted immediately by closing the Harbour to commercial fishing that day. I also released the Expert Panel's consumption advice publicly via a media conference and media release that same day.

**33.**



**The Hon. DUNCAN GAY:** How much money has been spent on advertising to inform the general public where and what they can fish, and do you believe that this advertising has been effective?

**The Hon. IAN MACDONALD:** Off the top of my head, and I will have it checked, I think we have spent around \$129,000 so far.

**Response**

Approximately \$151,000 has been spent. This does not include ongoing advice provided by Fisheries officers or media campaigns that are carried out as part of NSW DPI's normal business. It is important to note that information is changing regularly and the public will be advised of new and additional information as it becomes available.

**34.**

**The Hon. DUNCAN GAY:** Minister, are you aware that items purchased by members of Parliament, for example from our ASA, become assets of the Parliament when they are valued at over \$100? When does an item become an asset of the Department of Primary Industries [DPI]? Does it vary within the old fisheries, agriculture and mineral resources departments? For example, would a \$700 camera or a \$500 mobile phone be considered an asset of the department, or is it something that ultimately went to the person who purchased it?

**The Hon. IAN MACDONALD:** I will have to take that on notice. I have no idea of these specific amounts or what is the appropriate policy.

**The Hon. DUNCAN GAY:** Would your director general have that information?

**The Hon. IAN MACDONALD:** The director general is on leave.

**Mr COUTTS:** Generally speaking, assets would be an asset of the department, but I think, given what the Minister has said, we would like to take the specifics of the question on notice as to what the limits are and so forth.

**The Hon. DUNCAN GAY:** So you are the acting DG?

**Mr COUTTS:** I am representing the DG.

**The Hon. DUNCAN GAY:** That was not explained to us.

**The Hon. IAN MACDONALD:** I said that at the beginning.

**The Hon. DUNCAN GAY:** Okay. In your department, do you know at what level that kicks in?

**Mr COUTTS:** I do not know. That is why I say that I would like to take the specifics of the question on notice. Generally speaking, if someone wishes to

have a mobile phone or a camera, the department would purchase that and they would have access to it. The department has policies on utilisation of assets and resources.

### **Response**

Items valued at below \$5000 are entered onto the assets register as low value assets if they are considered at risk of loss by misappropriation. Items must be entered onto the assets register if they are works of art or required by statutory regulations eg firearms or registered items such as boats, trailers.

As required by Treasurer's Direction, a register is kept for all mobile phones. These items being below \$5000 in value are not considered capital assets by definition and are not depreciated. All items purchased by DPI are considered DPI property and when they are no longer required are sold to the public through fixed price sales or auctions, following delegated approval. Any items that are no longer serviceable are disposed of by destruction, following delegated approval.

Prior to officers leaving the Department a list is obtained from the assets register to ensure all DPI property including mobile telephones are returned prior to final salaries payments on exit. These rules apply across the whole of DPI- the assets register is a combination of the previous Fisheries, Minerals and Agriculture Departments.

Plant and equipment costing more than \$5000 gst exclusive with a useful life of greater than 2 years are required to be entered onto the assets register as a capital asset and depreciated over their useful life.

**35.**

**The Hon. DUNCAN GAY:** Minister, how many charter flights did your ministerial office take during the 2005-06 financial year, and at what cost?

**The Hon. IAN MACDONALD:** I have not got an idea of the cost.

**The Hon. DUNCAN GAY:** Will you take that on notice?

**The Hon. IAN MACDONALD:** We will give it to you. I have nothing to hide.

### **Response**

9 charter flights at a total cost of \$13,023.50 in 2005-06.

**36.**

**The Hon. DUNCAN GAY:** Minister, could you also provide that information (charter flights) for the DPI?

**The Hon. IAN MACDONALD:** Yes. I will take it on notice.

### **Response**

33 Charter Flights at a total cost of \$77,126.78 in 2005-06.

**37.**

**The Hon. DUNCAN GAY:** Thank you. Can you detail how many DPI staff have been given credit cards? What is the total credit limit on all the cards combined?

**The Hon. IAN MACDONALD:** I will take that on notice.

**Response**

1,254 credit cards have been issued to staff. The total credit limit of all the cards combined is \$4,953,900.

**38.**

**The Hon. DUNCAN GAY:** Thank you. What fraudulent activity, if any, has the DPI had in the last 12 months in regard to credit cards given to departmental staff? If so, will you provide the Committee with details?

**The Hon. IAN MACDONALD:** I am advised that there are none, but I will seek further advice. If required and if necessary, I will give it on notice to you.

**Response**

There were two cases of fraudulent activity involving DPI credit cards during the past 12 months. The details are as follows:

1. 8 May 2006 - 19 fraudulent purchases were made in Sydney at supermarkets, department stores and a service station on a counterfeit copy of a DPI credit card. The total of these purchases was \$2,011.75 which was reimbursed by Westpac to DPI on 26 June 2006.
2. 23 May 2006 - 8 fraudulent purchases were made in USA at 6 different suppliers on a counterfeit copy of a DPI credit card. The total of these purchases was \$3,079.49 which was reimbursed by Westpac to DPI on 29 May 2006.

**39.**

**The Hon. DUNCAN GAY:** Minister, you mentioned the number of stock through the yards. Are you aware of any agent who has not collected the OJD levy or has failed to pass it on?

**The Hon. IAN MACDONALD:** Not at this point, no. That does not mean that there has not been, but I will check that. We have done an audit of nine collection agents and no compliance issues have arisen. We are doing an audit of the abattoir operators in the next quarter.

**Response**

I indicated during Budget Estimates I would check my initial comments. The New South Wales Rural Assistance Authority as Fund Administrator of the OJD Transaction Based Contribution Scheme have confirmed there are no

known instances of a livestock agent either failing to collect the required contribution, or failing to pass the collected contribution on to the Fund Administrator.

**40.**

**Ms LEE RHIANNON:** Minister, regarding the relationship between the Collex export terminal and proposed coalmines, which currently proposed coalmines in New South Wales require the approval of the proposed Collex export terminal if they are to be viable?

**The Hon. IAN MACDONALD:** I do not have the details to hand. I will take that on notice.

**Response**

I presume you mean the proposed new third coal export terminal at the Port of Newcastle. None.

**41.**

**Ms LEE RHIANNON:** Will the Anvil Hill proposal go ahead without the approval of the coal export terminal?

**The Hon. IAN MACDONALD:** I do not think there is a relationship, but I will take the question on notice.

**Response**

There is no relationship between these two proposed developments.

**42.**

**Ms LEE RHIANNON:** How much money has the Government accepted from BHP Billiton in exchange for exploration rights to the Caroon coalfield?

**The Hon. IAN MACDONALD:** In the order of \$100 million, but I will get the precise figure for you.

**Response**

\$100 million.

**43.**

**Ms LEE RHIANNON:** As you know, normal process in New South Wales means that once an exploration licence has been granted, if a company wants to go ahead with full exploration it gets that lease. No company has ever been knocked back.

**The Hon. IAN MACDONALD:** Knocked back for what?

**Ms LEE RHIANNON:** Once it has been granted an exploration lease.

**The Hon. IAN MACDONALD:** That is not true.

**Ms LEE RHIANNON:** Could you give me examples of companies that have been knocked back?

**The Hon. IAN MACDONALD:** There have been several knock backs in recent years.

**Ms LEE RHIANNON:** After the exploration stage has been carried out?

**The Hon. IAN MACDONALD:** That is my understanding, yes.

**Ms LEE RHIANNON:** Could you give me the examples?

**The Hon. IAN MACDONALD:** I can give you some examples, yes. I will take that question on notice and give you some examples.

### **Response**

Since 1995, the Government has knocked back 349 exploration and mining propositions, including 44 mining leases.

There are also examples where companies have withdrawn a proposal or where significant modifications have been made:

- Beltana underground in the Hunter Valley made significant modifications to its potential underground layouts in order to avoid the alluvial land along the Wollombi Brook, following Government advice and community concerns.
- The Mt Arthur project in the Hunter Valley was changed significantly from the original proposal on the insistence of Government, in order to minimise long-term impacts on areas of Muswellbrook.
- The Mandalong underground mine in the Hunter Valley made modifications to their underground layouts on Government advice.
- The proposal for Great Greta Extended coal mine near Singleton was withdrawn following concern about hauling coal on trucks through Singleton

**44.**

**Ms LEE RHIANNON:** My next question is on your turf. What is the largest fine that you know of for a mining company that has breached its conditions?

**The Hon. IAN MACDONALD:** I will take that question on notice.

### **Response**

I am advised that the largest fine issued under the *Mining Act 1992* is \$5,500.

**45.**

**Ms LEE RHIANNON:** You just mentioned that if some companies default on their rehabilitation they forfeit their bond. Could you indicate how many companies have defaulted on their bonds?

**The Hon. IAN MACDONALD:** I will take that question on notice. Defaulted on their bonds?

**Response**

I am advised that security bonds were forfeited on one mining lease and two exploration licences during the 2005/2006 financial year.

**46.**

**Ms LEE RHIANNON:** You just said in answer to the question that many of them have started progressive rehabilitation. Have all those mines started progressive rehabilitation?

**The Hon. IAN MACDONALD:** The ones that I have seen.

**Ms LEE RHIANNON:** Do you have figures on that?

**The Hon. IAN MACDONALD:** Yes, I will get you some figures on that.

**Response**

I am advised that all mines in NSW have completed some form of progressive rehabilitation.

**47.**

**The Hon. DUNCAN GAY:** Has a detailed cost analysis been carried out on the transfer of the Orange Agricultural Institute to Charles Sturt University?

**The Hon. IAN MACDONALD:** The transfer of?

**The Hon. DUNCAN GAY:** The Orange Agricultural Institute to Charles Sturt University.

**The Hon. IAN MACDONALD:** The transfer of what?

**The Hon. DUNCAN GAY:** The land.

**The Hon. IAN MACDONALD:** We are not transferring the land at the Orange Agricultural Institute to the university. What are you talking about?

**The Hon. DUNCAN GAY:** So none of that land is going to the university?

**The Hon. IAN MACDONALD:** No. That is not the proposal. In conjunction with Charles Sturt University, and following the withdrawal of Sydney University from the campus, we have made an arrangement with Charles Sturt University to build a common facility, if you like, or a joint facility, which

would incorporate the most modern of research and technical equipment and laboratories. The proposal is that the Orange Agricultural Institute would transfer to the university, and the land upon which the Orange Agricultural Institute is current located will be sold off to fund the building of modern, new facilities at the Orange campus of Charles Sturt University. There is no transfer of Orange Agricultural Institute land to Charles Sturt University.

**The Hon. DUNCAN GAY:** How much of the land will be sold off?

**The Hon. IAN MACDONALD:** This is all in the early stages, but I would anticipate that we would try to sell off the lot—it is possible.

**The Hon. DUNCAN GAY:** Is there a detailed analysis of this available to the Committee?

**The Hon. IAN MACDONALD:** This is being done at the moment. I announced this in, I think, May or so.

**The Hon. DUNCAN GAY:** What is the total worth of the land that you anticipate being sold off?

**The Hon. IAN MACDONALD:** I do not have a figure, but it is a considerable parcel of land.

**The Hon. DUNCAN GAY:** Would you take that on notice?

**The Hon. IAN MACDONALD:** Yes.

### **Response**

I am advised that an analysis is currently being carried out and when completed will be submitted to Cabinet for consideration.

**48.**

**The Hon. DUNCAN GAY:** Minister, how was this land originally acquired by the Department of Primary Industries?

**The Hon. IAN MACDONALD:** The site of the Orange Agricultural Institute?

**The Hon. DUNCAN GAY:** Yes.

**The Hon. IAN MACDONALD:** I do not know.

**The Hon. DUNCAN GAY:** Was it purchased, or was it by bequest or donation by a family?

**The Hon. IAN MACDONALD:** I will take the question on notice. I do not have those details.

### **Response**

The land was originally Crown Land under the control of the NSW Department of Health. The land was transferred to the former NSW Department of Agriculture as Reserve Crown land for Research Station (Agricultural).

**49.**

**The Hon. DUNCAN GAY:** How many properties were quarantined in 2004-05, and how many properties were quarantined in 2005-06?

**The Hon. IAN MACDONALD:** I will take the question on notice.

**The Hon. DUNCAN GAY:** How many tick fever deaths have there been in the past year?

**The Hon. IAN MACDONALD:** I will take that on notice.

**Response**

In 2004-05, 478 properties were quarantined on account of cattle ticks and in 2005-06, 528 properties were quarantined. In the past year there have been no tick fever deaths.

**50.**

**The Hon. DUNCAN GAY:** Why is the colour-coded tagging system strongly recommended when 90 per cent of tags sold are colour coded?

**The Hon. IAN MACDONALD:** I will take that on notice, and I will consult my sheep industry personnel and give you an answer.

**Response**

The National Livestock Identification System (NLIS) was created to improve traceability of sheep and goats which is achieved through the use of the Property Identification Code printed on the tags and recorded on the paperwork sent with them when they move.

The advice I received was industry wished year of birth colour to be strongly recommended not mandated. The NLIS Sheep Implementation Advisory Committee is currently reconsidering this issue.

**51.**

**The Hon. DUNCAN GAY:** How much was spent by the Department of Primary Industries [DPI] on drought relief measures for the 2005-06 financial year?

**The Hon. IAN MACDONALD:** I will take that on notice and give you a precise figure.

**The Hon. DUNCAN GAY:** What was the figure for the 2004-05 financial year?



**The Hon. IAN MACDONALD:** Maybe if I give you the figures for the last three or four years, since the drought started, it might help.

**Response**

The component of drought relief funding provided by the Department of Primary Industries in each financial year since the drought started in 2002 is::

2002-03	\$34,631,327
2003-04	\$25,557,429
2004-05	\$20,608,396
2005-06	\$16,622,696

**52.**

**The Hon. DUNCAN GAY:** What was the total DPI budget for noxious weeds control for 2005-06?

**The Hon. IAN MACDONALD:** I think that figure is in the budget papers. In the order of \$7.5 million or \$7.7 million, something like, that but I will get you the precise figure.

**The Hon. DUNCAN GAY:** When you are doing that, can you also detail where this funding was spent?

**The Hon. IAN MACDONALD:** Yes. I think I release all of that by way of press releases. I am quite happy to do it for you.

**Response**

\$7,635,000.

**53.**

**The Hon. DUNCAN GAY:** No, will you give an undertaking to this Committee that you will provide all your press releases for the last 12 months?

**The Hon. IAN MACDONALD:** All my press releases?

**The Hon. DUNCAN GAY:** All your press releases, yes.

**The Hon. IAN MACDONALD:** I do not know if I have them.

**The Hon. DUNCAN GAY:** Why not?

**The Hon. IAN MACDONALD:** I will have a look. By the way, all the weeds funding is on the web site, so look it up.

**Response**

These are unavailable.

**54.**

**The Hon. DUNCAN GAY:** We have enough for another day, if you would like

us to come back again. Can you detail the total worth of noxious weeds control grants to local control authorities, and when did they receive them?

**The Hon. IAN MACDONALD:** When did the funds go to them?

**The Hon. DUNCAN GAY:** Yes.

**The Hon. IAN MACDONALD:** I will take that on notice and give it to you.

**Response**

NSW DPI offered initial grants of \$4,471,303 to authorities on 11 October 2005, with a further \$2,439,023 offered on 3 March 2006. These were paid upon receipt of tax invoices and signed agreements.

**55.**

**The Hon. DUNCAN GAY:** Do you accept that some of the grant money was not spent because of the delay in the operation of your department in this case?

**The Hon. IAN MACDONALD:** I do not have that information specifically to hand, but if some people want to give me the evidence of that I will look into it.

**The Hon. DUNCAN GAY:** Will you undertake to go back to your department to find out how much of that money was not spent?

**The Hon. IAN MACDONALD:** I am quite happy to do that, yes.

**Response**

No. I am advised that at this stage no councils have returned any unspent funds provided in 2005-06.

**56.**

**The Hon. DUNCAN GAY:** How many farmers received drought transport subsidies in 2005-06?

**The Hon. IAN MACDONALD:** A lot, but I will get you the figures. For instance, we had 1,600 and something last month alone.

**Response**

In 2005-06 5,752 farmers received drought transport subsidies.

**57.**

**The Hon. DUNCAN GAY:** How many farmers received drought transport subsidies in 2004-05?

**The Hon. IAN MACDONALD:** I will give you those figures. In fact, I might have them. Since 2002 the State Government has spent \$215 million. Over

the last five years the Government has processed in excess of 78,000 claims for transport subsidies. The value of the subsidies provided is in excess of \$80 million. In addition, the Government has spent in excess of \$1.7 million on the transport of donated fodder, on which a 100 per cent subsidy applies. I will get you the specific figures, a breakdown for each year.

**Response**

Since the drought started in 2002, the number of drought transport subsidy claims paid for each financial year was:

2002-03	7,823
2003-04	8,206
2004-05	6,590
2005-06	5,752

**58.**

**The Hon. DUNCAN GAY:** Can you detail the number of farmers who applied for drought transport subsidies in November and December 2005?

**The Hon. IAN MACDONALD:** Yes, I will take that on notice.

**Response**

The number of farmers who applied for drought subsidies in November and December 2005 was 1393.

**59.**

**The Hon. DUNCAN GAY:** Could you also give me the number of farmers who applied for drought transport subsidies in January, February and March 2006 as a separate request?

**The Hon. IAN MACDONALD:** Yes, I will take that on notice.

**Response**

The number of farmers who applied for drought transport subsidies in January, February and March 2006 was 914.

**60.**

**The Hon. DUNCAN GAY:** Minister, as you have indicated, in May you reinstated drought transport subsidies up until August, but this means that there was a two-month period when farmers were left without any assistance for the months of March and April. Will you consider making those two months retrospective and back pay eligible farmers? There are many farmers who still have stock on agistment and who are still needing fodder for their stock and are still needing water for their operations during this period.

**The Hon. IAN MACDONALD:** I will consider the question on notice.

**The Hon. DUNCAN GAY:** And when will you give us an answer? On notice?

**The Hon. IAN MACDONALD:** Yes, I will give you an answer on notice.

**Response**

I will not make the months of March and April retrospectively eligible for subsidies and back pay farmers. However, eligible farmers may apply for transport subsidies from May onwards.

**61. The Hon. RICK COLLESS:** Minister, are you aware of a firewood operator in the Pilliga who has both a primary business consisting of collecting, processing and haulage and also a retail business in the form of door-to-door selling and who has not received a response from the Forestry Adjustment Unit about the compensation package following the Brigalow lock-up?

**The Hon. IAN MACDONALD:** I am aware of some applications that are under consideration that have not been finalised. You would have to give me the specific details.

**The Hon. RICK COLLESS:** I suggest you have a look at the firewood industry in particular because it is my understanding that there are no firewood businesses that have received any compensation as a result of the brigalow lock-up.

**The Hon. IAN MACDONALD:** If you give me the details, I will look up whatever you are referring to and give you an answer.

**The Hon. RICK COLLESS:** I am referring to all the firewood operators who were involved in the Pilliga. When will the Forestry Adjustment Unit meet the Government's obligations to assess and compensate businesses that have been forced into oblivion in some cases by the Government's brigalow decision?

**The Hon. IAN MACDONALD:** Okay. I will take that on notice.

**ANSWER**

The NSW Government is not proposing to force any firewood industry operator in the Brigalow region out of business.

The Department of Primary Industries (DPI) is completing its draft review of the Brigalow / Nandewar firewood industry. The draft review is looking at the current firewood industry based on State forests in Brigalow and Nandewar, and exploring ways for the industry to continue.

The Resource and Conservation Unit (RACU) of Premier's Department, the Department of Natural Resources (DNR) and the Department of Environment and Conservation (DEC) are working with Forests NSW of DPI to finalise the review.

Agencies support an ongoing industry that supplies regulated and accredited

hardwood firewood to meet legitimate domestic demand. New practices are being defined to encourage a more sustainable, and profitable, 'green hardwood residue' firewood industry.

Industry assistance funding would be considered to help existing firewood operators adapt to any new operating conditions. New rules would be phased-in gradually to allow the firewood operators to continue operating in the meantime.

I am advised that the review will be finalised shortly and presented to the Community Conservation Council (CCC), and a recommendation will then be placed before Government for decision.

Although the Forestry Structural Adjustment Unit, Department of Natural Resources received Business Exit Assistance applications from each of the three current operators, it should be noted that two of them also submitted Brigalow Industry Development Assistance (IDA) applications so that they could retain the option to stay in business and adapt to any new changes.

**62.**

**The Hon. RICK COLLESS:** Do you know of one of your consultants named Linda Stevens who contracts her services to NSW Forests in the name of Deipera Pty Ltd?

**The Hon. IAN MACDONALD:** No. I am not aware of that.

**The Hon. RICK COLLESS:** Minister, are you aware that she is on a contract which is made up of a \$ 30,000 retainer plus \$1,450 per day for 180 days per year, making it a package worth up to \$291,000?

**The Hon. IAN MACDONALD:** I have not heard of that.

**The Hon. RICK COLLESS:** Have you not?

**The Hon. IAN MACDONALD:** No.

**The Hon. RICK COLLESS:** Perhaps you should find out.

**The Hon. IAN MACDONALD:** I will take a look at that.

### **Response**

I understand Forests NSW has contracted Ms Stephens for up to 15 days per month. The fee is all inclusive and does not have any additional overheads.

**63.**

**Ms LEE RHIANNON:** Minister, last month I witnessed clouds of dust at the Mount Arthur coalmine site that were up to eight times higher than the mine trucks. I also saw dust blowing across the town of Muswellbrook. I understand

that according to the conditions of consent, dust should not be above the top of the truck. What is the appropriate fine for this breach of conditions of consent that I witnessed?

**The Hon. IAN MACDONALD:** My understanding is that the Department of Environment and Conservation [DEC] is responsible for this particular incident that you are talking about. They are the regulator.

**Ms LEE RHIANNON:** Have you not be notified by the Environment Protection Authority [EPA] or the Department of Planning that the mine does not have adequately sealed roads, or that the unsealed roads are not being adequately hosed down?

**The Hon. IAN MACDONALD:** I am not aware of that.

**Ms LEE RHIANNON:** Do you mean by that that you have not been contacted?

**The Hon. IAN MACDONALD:** I am not aware of it, but I will check for you and see if we have been contacted.

#### **Response**

I am advised that the Department of Primary Industries has not been contacted by the Department of Environment and Conservation regarding these issues.

**64.**

**Ms LEE RHIANNON:** Are you aware if any fine and has ever been issued against BHP Billiton for the dust storms that are generated by the Mount Arthur mine?

**The Hon. IAN MACDONALD:** I am not aware of any. It is DEC again. We are not the regulator

**Ms LEE RHIANNON:** I appreciate that, but I thought that you would be notified if there was a problem in how they were administering the conditions of consent. Are you normally notified when a company is not complying?

**The Hon. IAN MACDONALD:** I am not aware of it, but I will give you a written answer.

#### **Response**

I am advised that the Department of Primary Industries has not been informed of a fine issued to BHP Billiton for dust issues at the Mount Arthur mine.

The Department of Primary Industries is not typically notified when a company is not complying with the conditions of consent. This issue falls under the portfolio responsibilities of the Minister for Planning.

65.

**Ms LEE RHIANNON:** For the last financial year could you provide the Committee with details of what you have been informed of by the DEC in relation to the major breaches?

**The Hon. IAN MACDONALD:** Yes. For the BHP site?

**Ms LEE RHIANNON:** No, generally. What are the major breaches for the last financial year?

**The Hon. IAN MACDONALD:** That the EPA has informed us of?

**Ms LEE RHIANNON:** Informed you, or the department.

**The Hon. IAN MACDONALD:** Yes, any that we have been formally advised of, I will let you know.

**Response**

The Department of Environment and Conservation notified the Department of Primary Industries of action against Newstan Colliery.

66.

**Ms LEE RHIANNON:** Yes, I know, it would be interesting. Minister, did you think there is an anomaly in the New South Wales mining legislation that sees all the proceeds of ruby mining going to the mining company and none to the State? When it comes to rubies and precious stones there is an anomaly compared with what you get from other mining?

**The Hon. IAN MACDONALD:** I will have a good look at that situation and give you a written reply.

**Response**

There is no anomaly in the treatment of rubies compared to other minerals. The same situation exists for many other minerals in the State depending on the conditions of the original land grant.

67.

**Ms LEE RHIANNON:** Could you take this question on notice and provide a list of all those exploration projects where an environmental impact statement [EIS] was carried out? Could you supply the Committee with a list of such projects?

**Mr COUTTS:** I can provide you with a list over the last 12 months of what, if any, exploration projects were carried out and the EIS required.

**Response**

The environmental impact of all exploration projects are considered under

Part 5 of the *Environmental Planning and Assessment Act 1979*. In the last 12 months, no EIS has been required.

**68. CHAIR:** Do you support logging of identified wilderness areas, listed endangered ecological communities, old-growth forest and rainforest?

**The Hon. IAN MACDONALD:** I would have to look at the issues in more detail, I think, with some examples. Sometimes people describe certain areas in a way that exaggerates to some extent the merit of that area.

**CHAIR:** That is a degeneration of values. The Minister knows what I am talking about.

**The Hon. IAN MACDONALD:** The member might give me a sort of fatherly look—

**CHAIR:** I can assure the Minister that it is hardly fatherly.

**The Hon. IAN MACDONALD:** Many of those areas are already protected by a plethora of legislation.

**CHAIR:** If that is the case, will you use your powers under the *Native Vegetation Act 2003* to provide interim protection for these outstanding conservation features until a code of practice is in place?

**The Hon. IAN MACDONALD:** I will take that question on notice.

## **ANSWER**

The *Native Vegetation Act 2003* and the associated Private Native Forestry (PNF) exemption do not apply to the national park estate and other conservation areas as set out in Schedule 1 of the *Native Vegetation Act 2003* and Clause 44 of the *Native Vegetation Regulation 2005*.

The PNF exemption does not grant an exemption from the *Threatened Species Conservation Act 1995*, the *Wilderness Act 1987*, any other legislation or from environmental planning instruments, such as SEPP 26 – Littoral Rainforests.

Private Native Forestry on State-protected land, which has been gazetted as steep riparian land, sensitive land or prescribed streams, requires approval from the Department of Natural Resources. This is assessed using the methodology set out in Section 79C of the *Environmental Planning and Assessment Act 1979*, which includes consideration of the vegetation type, age and conservation status as well as any endangered ecological communities.



**69. CHAIR:** Does the Department of Natural Resources [DNR] issue approvals to log in identified wilderness areas, or within listed endangered ecological communities?

**The Hon. IAN MACDONALD:** I am not quite sure what an identified wilderness area is. I know what a wilderness area is in a national park.

**CHAIR:** An identified wilderness area has been given that classification.

**The Hon. IAN MACDONALD:** By whom?

**CHAIR:** Probably by the conservation movement.

**The Hon. IAN MACDONALD:** I will take that question on notice.

#### **ANSWER**

For State-protected land, the Department of Natural Resources does not issue approvals to log declared wilderness or within listed endangered ecological communities.

Declared wilderness on freehold land requires the owner to enter into a conservation agreement with Department of Environment and Conservation.

**70. CHAIR:** Did DNR issue an approval to log in identified wilderness areas? I think the Minister will find it is a specific classification. I ask him to look at that question.

**The Hon. IAN MACDONALD:** I will take that question on notice and look at it.

#### **ANSWER**

The term "identified wilderness" is a classification used by the Department of Environment and Conservation. This classification does not prevent the continued use and management of existing freehold land.

**71. CHAIR:** Similarly, did DNR issue an approval to log in identified wilderness on Five-day Creek west of Kempsey? Was a species impact statement required before that approval was given?

**The Hon. IAN MACDONALD:** I will take that question on notice.

#### **ANSWER**

The Department has granted consents for sustainable logging west of Kempsey. During the assessment process 8-part tests were undertaken for

these proposals and have not identified any significant impacts on threatened species, communities or populations.

- 72. CHAIR:** Did DNR issue an approval to log in any listed endangered ecological communities, or known threatened species habitat on a block at Corindi, north of Coffs Harbour, on a site that has a history of the proponent seeking to degrade the land by pre-emptive clearing as a precursor to development? Did that approval override a tree preservation order that was put in place by Coffs Harbour City Council, which was protecting the site from pre-emptive clearing? Was a species impact statement required before the approval to log was given by DNR?

**The Hon. IAN MACDONALD:** I will take that question on notice.

**ANSWER**

The Department has not granted approvals for logging on the block at Corindi.

- 73. CHAIR:** Minister, will you now immediately withdraw these two ill-considered approvals?

**The Hon. IAN MACDONALD:** I will take that question on notice.

**ANSWER**

See Above.

- 74. CHAIR:** Did DNR conduct any investigation of alleged logging of rainforest, old-growth forest and threatened species habitats on private land at Timmsvale and Billys Creek after they were reported late in 2005 and early in 2006? Exactly what measures did DNR take to investigate these matters? What actions, if any, have been taken by DNR in relation to those two blocks?

**The Hon. IAN MACDONALD:** I understand that the Department of Environment and Conservation did some investigation, but I will take that question on notice.

**ANSWER**

Billys Creek

This matter was inspected by Departmental Compliance officers in November 2005. It was identified that logging had been undertaken within a 2ha area and marginally within an area mapped as State protected land (ie steep). Given the relevant exemptions under the Act, the operator was issued with a warning letter.

### Timmsvale logging

The site was inspected by officers from the Department of Natural Resources and the Department of Environment and Conservation. The logging area was assessed as complying with the relevant exemptions. Other matters relevant to the Department of Environment and Conservation, should be directed to the Minister for the Environment.

**75. CHAIR:** I have a few questions relating to the Game Council. Has the Game Council published its 2004-05 annual report? If so, on what date was it made available to the public?

### Response

The 2004-05 Annual Report was submitted to Minister on 20/6/2006 and the Minister presented to the Clerk of Parliament on 18/7/2006.

**76. CHAIR:** Why did the Game Council apparently not publish its annual report by the normal deadline set for statutory authorities New South Wales?

### Response

The financial accounts of the Game Council are audited by the Auditor General's Department. The final audit was not completed until 28<sup>th</sup> April 2006.

**77. CHAIR:** In the second round landowner consultation period between October 2005 and May 2006 how many responses were received from landowners and other stakeholders on a forest-by-forest basis in the second round of consultations?

### Response

State Forest	Number of replies	State Forest	Number of replies	State Forest	Number of replies
Awaba	5	Gladstone	1	Richmond Range	1
Barrington	1	Glenbog	1	Roseburg	1
Bellangry	1	Grange	1	Scotchman	2
Bolaro	1	Green Hills	1	Sunny Corner	4
Bondi	2	Hampton	3	Tabbimoble	1
Boyne	1	Jenolan	2	Tallaganda	3
Bril Bril	1	Kippara	1	Tantawangalo	1
Buladelah	12	McPherson	6	Tuggolo	3
Canobolas	1	Mundaroo	1	Unknown	18
Chichester	1	Murrah	3	Vulcan	1
Clyde	1	Myall	1	Wandera	2
Corrabare	1	Olney	6	Wang Wauk	2
Dog Rocks	1	Pennsylvania	1	Watagan	2
Ellis State	1	Pine Brush	1	Whiporie	1
Forestland	1	Pokolbin	3	Wyrra	1

Gladstone	1	Rammornie	1	Yarratt	1
-----------	---	-----------	---	---------	---

**78. CHAIR:** Of the responses received, how many on a forest-by-forest basis supported or rejected the proposed declaration for hunting in that forest?

### Response

State Forest	Support	Oppose	State Forest	Support	Oppose	State Forest	Support	Oppose
Awaba	4		Glenbog		1	Scotchman	2	
Bolaro	1		Grange	1		Sunny Corner	2	2
Bondi		2	Green Hills	1		Tabbimoble	1	
Bril Bril	1		Hampton	1	1	Tallaganda	2	1
Buladelah	2	9	Jenolan		2	Tantawangalo		1
Canobolas	1		McPherson	2	2	Tuggolo	2	
Clyde		1	Mundaroo	1		Vulcan		1
Corrabare		1	Murrah	1	2	Wandera		1
Dog Rocks	1		Myall		1	Wang Wauk	1	1
Ellis State	1		Olney	5	1	Watagan	1	1
Gladstone	1		Pine Brush	1		Wyrra	1	
Corrabare		1	Pokolbin	2		Yarratt	1	
Dog Rocks	1		Rammornie	1		Watagan	1	1
Ellis State	1		Pine Brush	1				

**79. CHAIR:** Why was second round consultation response data on a forest-by-forest basis not released to the public in 2006, while first round consultation data had been released in August 2005?

### Response

A report on the response to the second round consultation was provided by Game Council to Forests NSW and is available to anyone who requests it.

**80.**

**CHAIR:** Turning to the southern forests—perhaps you will need to take these questions on notice—what was the total revenue obtained from royalties on timber sales from Wandella State Forests in 2005? What are the royalty rates for pulp logs for each region in southern New South Wales? What tonnage of pulp logs and saw logs was produced in this region in 2005 and 2004? What is the price of woodchips produced as sawmill residue supplied to the Eden chip mill?

**The Hon. IAN MACDONALD:** I will take those questions on notice.

### Response

The total revenue obtained from royalties on timber sales from Wandella State Forests in 2005 was \$260,607.00. Forests NSW wood supply contract for pulp logs contains a Commercial-in-Confidence clause that prevents the

disclosure of price.

The tonnage of pulp logs and saw logs produced in this region in 2005 and 2004 was:

Hardwood Sawlogs	2004/05: 147,013 tonnes
Hardwood Sawlogs	2005/06: 149,704 tonnes
Hardwood Pulplogs	2004/05: 361,245 tonnes
Hardwood Pulplogs	2005/06: 396,941 tonnes

Forests NSW is not aware of the prices received by sawmillers for sawmill residues supplied to any of their customers, including sales to South East Fibre Exports.

**81.**

**The Hon. DUNCAN GAY:** Minister, why were the 2004-05 surveys of recreational users and commercial fishers in the Jervis Bay, Solitary Islands and Cape Byron marine parks and the Batemans shelf bioregion undertaken during low season visitation periods?

**The Hon. IAN MACDONALD:** I will take that question on notice.

**Response**

They were not. Surveys have been undertaken during both high and low seasons over a number of years.

**82.**

**The Hon. DUNCAN GAY:** Given that that happened, does it not mean that any future data, especially from high season visitation periods, will falsely make it appear that not only has the marine park had little effect on the local communities but it may have increased expenditure and the number of visitors?

**The Hon. IAN MACDONALD:** I will take that question on notice.

**Response**

See response to Q81.

**83.**

**The Hon. DUNCAN GAY:** Is that the reason why the studies were done in the low season—to give a false picture?

**The Hon. IAN MACDONALD:** I do not believe the department would endeavour to create a false picture of anything. But I will give you an answer on notice.

**Response**

Studies are distributed across all seasons.

**84.**

**The Hon. DUNCAN GAY:** Why were all these regions surveyed in the low season?

**The Hon. IAN MACDONALD:** I will give you an answer on notice.

**Response**

See response to Q83.

**85.**

**The Hon. DUNCAN GAY:** How long do you think it will take for recreational fishers to "make appropriate adjustments" given the fishing opportunities that will be available in unrestricted areas?

**The Hon. IAN MACDONALD:** I will take that question on notice.

**Response**

Considerable effort is put into working with recreational fishers in developing zoning plans. Fishers will adjust quickly as most key recreational fishing areas will remain open and around 80% of the marine park is open to recreational fishing. Also, experience of existing marine parks indicate that fishers quickly adjust to change.

**86.**

**The Hon. DUNCAN GAY:** That was a quote from your own document. What kind of impact do you think the time taken to "make appropriate adjustments" will have on the Nelson Bay, Port Stephens and Forster-Tuncurry regions, where recreational fishers spend approximately \$9.7 million and \$9.9 million a year respectively.

**The Hon. IAN MACDONALD:** I will take that question on notice.

**Response**

No significant impact is envisaged on economic activity from recreational fishing or tourism – existing marine park surveys indicate only positive trends.

**87.**

**Ms LEE RHIANNON:** Is it true that the operators of the Invincible open-cut coalmine outside Lithgow plan to dump contaminated waste water into the old mine workings underneath the endangered temperate heathland peat swamp that occurs at Long Swamp, which is the headwater of the Coxs River?

**The Hon. IAN MACDONALD:** If they wished to proceed with action or activity along those lines they would have to seek approval.

**Ms LEE RHIANNON:** Are you saying that they do not have the approval yet?

**The Hon. IAN MACDONALD:** We do not know the details. However, if there were some activity that would have an impact—

**Ms LEE RHIANNON:** I am aware of that. If you cannot give a definite answer, can you take the question on notice?

**The Hon. IAN MACDONALD:** Yes.

### **Response**

This issue falls under the portfolio responsibilities of the Minister for Planning. However I am informed that there are no mine workings beneath Long Swamp. .

**88.**

**Ms LEE RHIANNON:** The extensions that I have seen have not been subject to an environmental assessment because they have been seen as extensions and the approval has already been given. Are you saying that is wrong?

**Mr COUTTS:** I do not know what extension you have seen.

**The Hon. IAN MACDONALD:** We will take the question on notice.

**Ms LEE RHIANNON:** To clarify that, I would like a list of mine extensions where there has been an environmental assessment.

**The Hon. IAN MACDONALD:** That might be difficult.

**Mr COUTTS:** Can we go back to the basics of an approval for a project?

**Ms LEE RHIANNON:** I understand that.

**Mr COUTTS:** A mine gets a development consent approval and it can operate within that development consent. If it wants to operate outside that development consent—in other words, to extend the mine outside that development consent—it must get a fresh approval. That fresh approval has to go through the Department of Infrastructure, Planning and Natural Resources and is subject to all the necessary requirements of the approval process.

**Ms LEE RHIANNON:** But these days necessary requirements are minimal. That is the precise problem. There is no environmental assessment at that stage. That is where—

**The Hon. IAN MACDONALD:** We will provide a detailed assessment of the situation at Invincible.

### **Response**

The planned extension of the Invincible Colliery requires Development Approval from the Minister for Planning. The company has a Project Application with the Department of Planning and has provided the Department of Planning with an Environmental Assessment. I am advised that the Department of Planning has commenced the project assessment process.

89.

#### **ANSWERED DURING HEARING**

90.

**CHAIR:** Will the Government release any advice about the risk assessment of opening State forests to hunters? What compensation will State Forests pay to anyone killed or injured by a gun or bow by a hunter in State forests? If State Forests is not liable for compensation will the Government pay compensation?

**The Hon. IAN MACDONALD:** I will take those questions on notice. I have plenty of information, but I do not think we have the time for me to read it.

#### **Response**

Forests NSW makes available a copy of the risk assessment to anyone who requests a copy. Forests NSW is indemnified by the Game Council which I understand is covered by public liability insurance.

91.

**CHAIR:** Manufacturers in places like India produce high-quality sugarcane paper. Have you investigated any other value adding rather than eventually burning it in a cogeneration plant?

**The Hon. IAN MACDONALD:** I personally have not investigated that, but I will take that up with the department and provide a response.

#### **Response**

The Australian sugar industry has undertaken several feasibility studies into paper production from bagasse, one of which was undertaken at a NSW mill. The production process does involve adding other pulp products to the bagasse. The major constraint in Australia has been poor returns which are adversely affected by the relatively small scale of our mills and the geographic spread of the industry.

The NSW sugar industry has been producing power for over 50 years and with improvements in efficiency is now looking to provide up to half the electrical energy needs for the local north coast region. This of course is produced from an annually renewable energy source.